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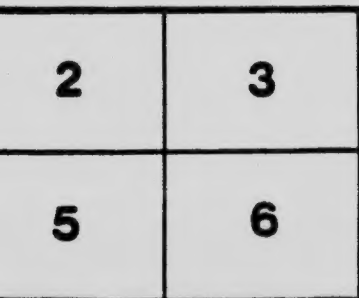
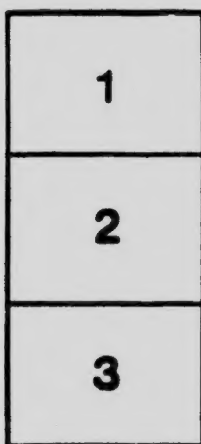
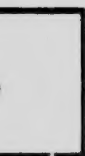
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INDUSTRIAL BONDS

*The following is the text of an address by L. L. Peltier before the
Trades & Labor Council, Fort William,
June 27th, 1918*

It is hard to dispute with a condition and it will be a condition that will face the people of all the nations, including, of course, Canada, after peace is made, for, even in the event that the war ends this year, it will have cost the warring nations around one hundred and twenty-five billion dollars, carrying an annual interest charge of, approximately, six billion dollars, besides the using up of great stocks of raw material, and the destruction of private and public property in the devastated territory, estimated at another six billion dollars, nearly all of which were the accumulated products, or anticipated productions of labor. Thus, the world is being impoverished. But what about the wealth producers, the man-power of the nations? Millions of men have been killed, and other millions have had their labor capacity reduced, crippled, while further millions have been incapacitated, and left a loving charge on their fellow workers. Thus, the world is being impoverished.

French economists in 1914, estimated that the world's productive activity made available, annually, four billion dollars of new capital for the exploitation of the world's resources, but this is two billion dollars less than the interest on the World's war-debt in 1918. Is this the riddle of the Sphinx, which we must solve, or be destroyed? Now, all wealth is produced by the intelligent application of lab-

or-energy to raw material:—land, Capital is that portion of wealth, saved and set aside to aid labor in producing more wealth from raw material:—land. Labor and Capital are the active factors in the process, land, the Earth, is the passive factor. As we see, the two active factors, labor and capital,—the servant of labor have been depleted by the war; our store-house, the Earth alone, of the three factors in production,—Land, Labor & Capital—remains the same. Let us be thankful that man has not the power to destroy the Earth, as he has, his fellow men, or the accumulated products of their labor, else he would, in his blind fury, sink the enemy's territory and laugh to see the water suck them in, as they do each other's war ships. Therefore, because of this happy limitation of man's power, he still has left, undiminished, the Earth, his workshop. This is one shop we could openly declare, an Open Shop to workers only, but this important reform, like that of socializing the machinery of production and transportation, must await the further development of public opinion.

In the meantime, we should strive for the entering wedge of co-operation, for, as Marcus Aurelius, the Roman Emperor, said centuries ago:—

“Like the hands and the feet, like the eyelids,

Like the rows of the upper and lower teeth,—

We are made for co-operation."

It was with this purpose in view, that I made the suggestion that I am about to read to you, for your consideration. I hope I am a man of good-will, and, like all men of good-will, I am as they should be, concerned with after-the-war conditions, which, like coming events, cast their shadows before them. I see, as an aftermath, Disemployment, and consequent Suffering, and it seems to me that it behooves us all to bestir ourselves, and not be backward in offering suggestions, calculated to lessen the force of the calamity.

It is agreed that governments will have to branch out into undertakings, which, in pre-war days, were considered the domain of private enterprise only. This will be particularly true of Canada, driven there to by the lack of Capital borrowings from abroad. Canada will have to depend largely upon its own resources. Canada is mortgaged to the hilt, Federal, Provincial and Municipal debts coupled with those of individual citizens, if tabulated, would run into staggering figures, and further, we cannot escape the hampering effect of the world debt, which our statesmen speak of as though it were only National, and, therefore, only National in its effects. But Nations cannot live to themselves any more than individuals. If our high-brows would only awake to this fact, or even the people themselves, it would be the beginning of better things. Therefore, Canada must exploit its resources to the utmost. Canada has the labor power, though depleted. It has, also, almost inexhaustible natural resources: it will be short of capital: how can we overcome that handicap? There is one way, we must pool our savings, and co-operatively produce wealth for the common wealth. Individually, the workers' savings are small, but, collectively pooled, they are as the quotation:—

"Little drops of water, little grains of sand,

Make the mighty ocean, and the pleasant land."

I understand that the people's savings in the post office and banks, in 1917-18, amounted to one and a quarter billion dollars, largely deposited by the workers, a small interest, and re-loaned by the banks to the Capitalists, at a large profit, and used by them to employ the workers at a further profit, quite justified too, under the circumstances.

The workers can impel the Government to act, by simply offering to co-operate in financing Government-controlled industries. Only in this way can work be found for our returned soldier-workers, able to work, and provide proper care for those unable to work. Our pooled mites would make a muckle, and could be supplemented by a tax on monopoly privilege,—unearned increment—and retaining income and excess-profit taxes, we could make this a condition of our co-operation. But I believe that the present Government would give full consideration to our proposals based on practical lines.

The following is the subject matter on which I invite your suggestions and co-operation:—

"Discussion, both in the Commons and in the Senate, as well as "outside" reveals a questioning and pessimistic attitude, relative to industrial and financial conditions, following on the heels of Peace.

I refrain from entering into the economics of the question now, however, I venture to offer a suggestion or two, for your consideration, namely, that Parliament, immediately following Peace, or prior to that time, at its discretion, issue to working-men, only, short term industrial bonds, at par, bearing, say 5 per cent. interest. The proceeds to be exclusively devoted to constructing good roads, prospecting and developing our mineral resources, ship-building, railway equipment, or any other "Industrials", wholly under Government control or Government management, or which would be willing to subject themselves to Government control.

Under the above plan, if feasible, the workers would profit first, by a lessening of competition among themselves, which competition has a tendency to lower wages; secondly, unemployment could be reduced, if not eliminated, in other words the workers' "time", his Capital, would be more regularly employed; if this reasoning is justified, it would, as I have indicated, prevent the wholesale lowering of wages, while the Industrial Bonds would be a medium for investment by the workers, at higher than bank or post-office interest.

In other words, the worker, under this plan, would be (helping to finance) his own employment or job."

Give me a few moments of your time to enter into details and interpretations, likely to arise in carrying out the above suggestions:—

"TO WORKINGMEN ONLY." The purpose of this restriction is to exclude banks, insurance companies, trust companies, manufacturers, etc. as such. This object might be attained by limiting the amount that any individual would be permitted to subscribe for.

"INDUSTRIAL BONDS." There is something in a name, and the words, "Industrial Bonds" imply the purpose of the loan, namely:— to promote co-operative, national, industrial development. Short-term would be more popular than long-term bonds. I would suggest a ten-year period, to be sold at par, redeemed at par, and bearing six per cent interest.

"WHOLLY UNDER GOVERNMENT MANAGEMENT, OR GOVERNMENT CONTROL, OR WHICH WOULD SUBJECT THEMSELVES TO GOVERNMENT CONTROL." The object of this is easily grasped. The monies or credit thus furnished, having been provided by the people for a definite object, can, logically, only be administered by the people's representatives, and devoted to undertakings directly under their control.

"GOOD ROADS". A public highway

is of service in proportion to the excellence of its construction and more directly effects the contentment and happiness of the people, than even our railways. New highways and the improvement of old ones, are a public necessity.

"RAILWAY EQUIPMENT". If we are going to make a success of the public ownership and operation of railroads, we will have to cut out all middle-men's profits by building our own railway equipment, and material in Government railway shops, by Canadian Labor with Canadian money.

"SHIPBUILDING" has already been taken over by the Governments of most of the nations, and for obvious reasons, will be a thriving industry for years to come, and, in many respects, Canada is specially adapted for this work.

"MINERAL RESOURCES". These will be a source of future wealth, and should not be alienated from the public domain, or their development or exploitation, encouraged by bounties.

"INDUSTRIAL BONDS NOT TRANSFERABLE", thus forbidding their being sold on the stock market, and being the sport of bulls and bears, and speculators, and, possibly be subject to manipulations calculated to depreciate their value, thus discouraging the growth of a system, detrimental to the interest of profit.

"DISCOUNTING AND REDEMPTION." They should not be discounted at bank, or used there as collateral for borrowings. In case of need, individual bond-holders should be permitted to borrow at any post office, 50 per cent. of their value, by hypothecating them there, the post office should also be the place of redemption.

"THE EFFECT OF INDUSTRIAL BONDS ON BANK DEPOSITS." Bankers may, at first, be inclined to oppose this plan on the plea that it would deplete their deposits, as the workers would put their savings into Industrial Bonds, bearing six per cent. interest, instead of

in the banks at 8 per cent. interest, but the disemployment of hundreds of thousands of workers, wealth producers, would also deplete the banks' deposits, without any compensating benefits. Further, it is not expected that all the workers' savings would be invested in Industrial Bonds:— if the worker has one dollar saved and invests fifty cents in a bond to help his job, and deposits fifty cents in the bank, every one benefits; but, if a worker is idle, he cannot invest in either. In any case, the home and family should come first, they were here before the banks, if there were no homes and families, there would be no banks.

"ADMINISTRATION." The proceeds of the loan could be administered by a commission of the Federal Financial department, and labor should have representation thereon.

"CONDITIONS OF EMPLOYMENT"
All employees of workshops under Government control, as herein indicated,

should be represented by a committee, or board of works, to supervise conditions of employment. Under conditions where the workers are co-operating with the Government in financing, co-operating with them in operating conditions would follow as a matter of course.

At its coming convention, the Trades and Labor Congress of Canada, should devote earnest thought to this, and allied after the war problems, and seek to impel the Federal and Provincial Governments to,—along sane but progressive lines,—themselves, become active factors in the production of wealth, instead of drones and spenders only. Our war-widows, our war-orphans, our war-cripples, our war-debt,—the future well-being of our citizens, calls for co-operation between the citizens themselves, and between the citizens and their Governments, in the creation of wealth to meet these obligations.



